



# Department of Justice

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**CO-OWNER OF NEW YORK PRINTING COMPANY  
PLEADS GUILTY TO BID-RIGGING AND CONSPIRACY CHARGES**

WASHINGTON, D.C. -- The co-owner of a New York City printing brokerage company today pleaded guilty to rigging bids submitted to Grey Global Group Inc. (Grey), an advertising agency headquartered in Manhattan, and to a conspiracy charge arising from a scheme to defraud Grey and its clients through kickbacks and inflated invoices, the Department of Justice announced.

In U.S. District Court in Manhattan, James Rattoballi of West Hempstead, New York, a co-owner of a printing brokerage company located in Manhattan and a salesperson representing two Manhattan companies that provided prepress services, pleaded guilty to one count of rigging bids and allocating contracts, from approximately late 1994 until 2001, for the supply of retouching and separation services contracted through Grey for its client, Brown & Williamson Tobacco Corp. (B&W). Rattoballi also pleaded guilty to one count of conspiracy to commit mail fraud in connection with a scheme to fraudulently inflate invoices to Grey, with the understanding that those inflated invoices would be passed on to Grey's clients for payment, and to pay kickbacks to Mitchell Mosallem, the former executive vice president and director of graphic services at Grey from approximately 1990 until 2001. Mitchell Mosallem and other defendants were indicted by a grand jury in Manhattan on related charges on September 17, 2002.

According to the bid-rigging charge, co-conspirators designated in advance that Color Wheel, a Manhattan supplier of graphic services, would be the low bidder among the co-conspirators on contracts to supply retouching services, and that another graphic services company would be the low bidder on contracts to supply separation services on behalf of B&W brands. In order to give the appearance of competition on the B&W contracts, Rattoballi and certain of his co-conspirators would submit intentionally high bids to ensure that the designated low bidder prevailed.

"This case once again demonstrates the Antitrust Division's commitment to seek out and prosecute anticompetitive practices and offenses associated with the advertising and graphics industries," said Charles A. James, Assistant Attorney General in charge of the Department's Antitrust Division.

The bid-rigging charge, a violation of the Sherman Act, 15 U.S.C. § 1, carries a maximum penalty of three years imprisonment and a \$350,000 fine.

The conspiracy charge, a violation of 18 U.S.C. § 371, carries a maximum penalty of five years imprisonment and a \$250,000 fine.

The maximum fine on each count may be increased to twice the gain derived from the crime or twice the loss suffered by the victim of the crime, if either of those amounts is greater than the statutory maximum fine. In addition, the defendant upon conviction could be ordered to pay restitution to any victim for the full amount of that victim's loss.

These charges arose from an ongoing federal antitrust investigation of bid rigging, bribery, fraud, and tax-related offenses in the advertising, printing and graphics industries. The investigation is being conducted by the Antitrust Division's New York Field Office, with the

assistance of the Federal Bureau of Investigation and the Internal Revenue Service Criminal Investigation.

Anyone with information concerning bid rigging, bribery, tax offenses, or fraud in the advertising or printing industries should contact the New York Field Office of the Antitrust Division at (212) 264-3179 or the New York Division of the FBI at (212) 384-3252.

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